

FOR IMMEDIATE RELEASE

Dukang Distillers' 3Q2016 sales increases 11.4% yoy to RMB278.9 million

- Gross profit increased 29.2% while gross profit margin expanded 4.6 percentage points due to higher average selling price
- Intensified advertising and promotional activities to promote new products led to higher selling and distribution expenses
- The Group will explore new channels to promote the 「Dukang」 brand and attract younger consumers

Financial Highlights

(RMB'Mil)	3Q2016	3Q2015	% Change
Sales	278.9	250.3	11.4
Gross Profit	93.8	72.6	29.2
Gross Profit Margin (%)	33.6%	29.0%	4.6 pp
(Loss) / Profit Attributable to Shareholders	(2.7)	1.8	N.M.
Net Profit Margin (%)	-	0.7%	N.M.
(Loss) / Earnings Per Share* (RMB 'cent)	(3.37)	0.22	N.M. [#]

pp: percentage points

N.M.: Not meaningful

* Based on the weighted average number of 798,289,318 ordinary shares in 3Q2015 and 79,828,931 ordinary shares in 3Q2016

[#] Not a meaningful comparison as the Earnings Per Share ("EPS") for 3Q2015 was prior to a 10:1 share consolidation, while the EPS for 3Q2016 was after the 10:1 share consolidation

Singapore & Taiwan, 13 May 2016 –SGX Mainboard-listed Dukang Distillers Holdings Limited ("Dukang Distillers" or "杜康控股有限公司", and together with its subsidiaries, the "Group"), a leading producer of *baijiu* ("白酒") in Henan, China, is pleased to announce that its overall sales has increased by 11.4% year-on-year ("yoy") to RMB278.9 million for the 3 months ended 31 March 2016 ("3Q2016").

The increase in the Group's overall revenue yoy is mainly due to the launch of the Group's major new products, such as Dukang No.1 under the premium series and Dukang No.2 under the regular series. Revenue of *Luoyang Dukang's* premium series declined marginally by 1.7% yoy to RMB56.4 million due to a 2.5% decrease in sales volume, which was partially offset by a 0.8% increase in average selling price (ASP). Sales from *Luoyang Dukang's* regular series sales increased 15.3% yoy to RMB222.5 million due to a 17.1% increase in ASP, which was partially offset by a 1.6% decrease in sales volume.

Financial Year End: End June 3Q2016: January – March 2016 3Q2015: January – March 2015



杜康控股

Dukang Distillers Holdings Limited

In tandem with the increase in overall ASP, the Group's gross profit increased 29.2% yoy to RMB93.8 million while gross profit margin increased 4.6 percentage points to 33.6%.

During the period under review, the Group's selling and distribution expenses increased 55.4% yoy to RMB70.0 million mainly due to higher advertising and promotional ("A&P") expenses to promote new products such as Dukang No.1 and Dukang No.2 in Henan province.

Outlook

Mr Zhou Tao, Dukang's Chairman and Chief Executive Officer, commented, **"The baijiu industry has gone through three to four years of adjustment which began with a rapid decline into a relatively stable stage of development before showing signs of weak recovery in late 2015.**

The Group's strategic new products, Dukang No.1 and Dukang No.2, have been gaining traction. We intend to intensify our A&P activities for these products in Henan Province. The Group will also participate in national level trade fairs to broaden its customer base and improve its brand presence in the baijiu market.

Going forward, the Group will explore new channels to promote the 「Dukang」 brand and attract younger consumers."

-End-

About Dukang Distillers Holdings Limited

As the first PRC baijiu enterprise listed overseas, the Company has its primary listing on the Mainboard of Singapore Exchange Securities Trading Limited since September 2008 and the listing of its Taiwan Depository Receipts on the Taiwan Stock Exchange since March 2011.

The Group's popular product series under 「Dukang」 brand include Jiuzu Dukang (“酒祖杜康”) Series, Guohua Dukang (“国花杜康”) Series, Zhonghua Dukang (“中华杜康”) Series and Lao Dukang (“老杜康”) Series. The Group's products are sold mainly to supermarkets, flagship stores, specialty stores and restaurants via distributors.

The Group currently has an annual grain alcohol production capacity of 4,684 tonnes from 2,428 fermentation pools for the 「Dukang」 brand.

With its distinctive taste and brewed using traditional methods, the 「Dukang」 brand has clinched national awards including China Intangible Cultural Heritage (2008), Henan Well-known Trademark (2008), China Well-known Trademark (2005), China Time-honoured Brand (2005), Top 10 Chinese Wine Brands (2001) and Star Enterprise of The National Wine Industry (1994).

In early 2013, the Group's 「Dukang」 brand was officially endorsed by the PRC government as one of the appointed baijiu to serve foreign dignitaries.

Contact Information

Dukang Distillers Holdings Limited

Ngo Yit Sung
Corporate & Investor Relations Manager
Taiwan Representative
Email: ysngo@dukang.com